



July 15, 2020

The Honorable Hank Vaupel, Chairman
Members, House Health Policy Committee

Dear Chairman Vaupel and members of the House Health Policy Committee,

Thank you for the opportunity to share my thoughts on behalf of Trinity Health Michigan regarding SB's 672 & 673, legislation that would remove the CON requirement for licensed Adult and Child/Adolescent psychiatric beds, as well as require that psychiatric hospitals and psychiatric units maintain 50% of beds available for public patients. We respectfully oppose this legislation, as we believe, the issue of whether to continue regulation of licensed Psychiatric beds and Child and Adolescent psychiatric beds and/or make changes to other requirements regarding bed availability, are issues that should be adjudicated within the CON process.

The Legislature created the CON Commission to provide a forum for experts to create and modify standards for a specific group of healthcare services and technologies. The Commission exercises this authority through a variety of mechanisms (ie Commission debate with expert input, Standard Advisory Committees, Workgroups etc.) It is through this process that those with specific expertise in a given service or technology can have input into the crafting of a standard through a deliberative process that is open to public input. Significant improvements were made in 2002 to the CON process that requires a SAC to finish its work within six months and require that every standard be reviewed every three years, unless the Commission deems a review is needed sooner. Both of these changes provide for regular and timely review of all standards. While not perfect, we believe this process has resulted in Standards that appropriately balance the three goals of the Certificate of Need process; Cost, Quality and Access and has ensured that Michigan's citizens have access to affordable high quality care.

As you may know, in 2019, the Commission approved changes to the bed need methodology that increased beds for adults and child/adolescent patients in many Planning Areas, and also increased psychiatric beds available for hard-to-place patients such as patients with developmental disabilities, high acuity psychiatric patients and geriatric patients. As a result of these changes, there are effectively 215 adult and 66 child/adolescent beds currently available in areas with need, and over 500 beds available for patients with special needs. These changes were part of a number of recommendations that sought to ensure that an adequate supply of psychiatric beds were available throughout Michigan for Adult and Child/Adolescent Psychiatric patients. We know that ensuring access to psychiatric services is a complex issue involving not just the number of beds, but reimbursement, availability of licensed professionals to provide these services and other factors. We are committed to working with the CON Commission, the Legislature and other stakeholders to ensure that psychiatric patients receive the services they need.

We have a number of questions regarding language that requires psychiatric hospitals and psychiatric units maintain 50% of their beds available to public patients. We are strongly committed to serving public patients, however we believe this language could have serious



implications for our ability to serve all of our patients and needs further definition in any future discussion within the CON process.

While we believe that the CON process is the right forum to debate issues involving CON Standards, we also believe the Legislature has a significant role in both petitioning the Commission to act on any issue it feels is in need of review, and in its oversight role over this legislatively created body as was exemplified in recent action by the Legislature to reject a standard approved by the CON Commission regulating Immune Effector Cell Therapy standard.

Thank you for the opportunity to provide comments on this legislation. Please do not hesitate to contact me, or Sean Gehle / Autumn Gillard of the Trinity Health Michigan Advocacy team, if you have questions and/or concerns.

Sincerely,

Rob Casalou
President and CEO
Trinity Health Michigan